



**COUNTY OF
SAN BERNARDINO**

BOARD OF SUPERVISORS

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December 16, 2008

The Honorable Gloria Negrete McLeod
32nd Senate District
State Capitol
Sacramento, CA 95814

RE: SB 11 (Negrete McLeod)– As introduced December 1, 2008 - SUPPORT

Dear Senator Negrete McLeod:

The San Bernardino County Board of Supervisors supports SB 11. This bill, identical to SB 1586 of the 2008-09 session, would authorize the County's board of retirement to establish a fund for the collective investment of assets held by public agencies solely to provide health benefits to former or retired employees of any local public agency and their dependents.

As you know, local agencies have essentially two investment choices: CALPERS or Wall Street. This legislation will give the County and local agencies a third option to manage assets set aside to pay future "Other Post Employment Benefits" (OPEB) liabilities. Additionally, this legislation allows other public agencies to take advantage of this investment option, and it provides a cost-effective investment choice unavailable under current state law.

By allowing the County's retirement board to combine assets members set aside to provide for retiree health benefits, this legislation will allow the board to take advantage of economies of scale. The board of retirement can also utilize existing investment expertise to reduce the cost of funding health benefits, thus increasing the security of public retirees and their dependents.

It is to be noted that SB 11 does not raise taxes, add regulation, or enhance public employee contractually-negotiated OPEB funds potentially invested with the safe and highly acclaimed San Bernardino County Public Employees' Retirement Association (SBCERA).

For these reasons, the Board of Supervisors of San Bernardino County agrees with the recommendations of the Governor's Public Employee Post-Employment Benefits Commission final report of January 2008 and supports SB 11. The Board thanks you for your attention in this matter and for your continued support of California's public employees.

Sincerely,

PAUL BIANE
Chairman, Board of Supervisors

cc: Timothy Barrett
Executive Director, SBCERA

The mission of the government of the County of San Bernardino is to satisfy its customers by providing service that promotes the health, safety, well being, and quality of life of its residents according to the County Charter, general laws, and the will of the people it serves.